

KKR Global Credit Opportunities Fund (AUD)

ARSN 661 241 532

Annual Report

For the year ended 30 June 2025

KKR Global Credit Opportunities Fund (AUD)

ARSN 661 241 532

Annual Report For the year ended 30 June 2025

Contents	Page
Directors' report	2
Auditor's independence declaration	4
Statement of comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	9
Directors' declaration	27
Independent auditor's report to the unitholders of the KKR Global Credit Opportunities Fund (AUD)	28

These financial statements cover the KKR Global Credit Opportunities Fund (AUD) as an individual entity.

The Responsible Entity of the KKR Global Credit Opportunities Fund (AUD) is Channel Investment Management Limited (ABN 22 163 234 240, AFSL 439007). The Responsible Entity's registered office is Level 19, 1 Eagle Street, Brisbane, QLD 4000.

Directors' report

The Directors of Channel Investment Management Limited (ABN 22 163 234 240, AFSL 439007), the Responsible Entity of KKR Global Credit Opportunities Fund (AUD) (the "Fund"), present their report together with the financial statements of the Fund for the year ended 30 June 2025.

Principal activities

The Fund was constituted on 4 August 2022, registered as a managed investment scheme on 9 August 2022 and commenced operations on 5 December 2022.

The Responsible Entity of the Fund is Channel Investment Management Limited (the "Responsible Entity"). The Responsible Entity's registered office is Level 19, 1 Eagle Street, Brisbane, QLD 4000. The financial statements are presented in the Australian currency.

The Fund is incorporated and domiciled in Australia.

KKR Australia Investment Management Pty Ltd is the investment manager of (the "Investment Manager") the Fund.

The Fund's investment objective is to provide unitholders with an income stream, as well as to achieve attractive long-term capital appreciation, over a full market cycle by providing investors with exposure to underlying credit investments that are diversified by number of investments and across geographies and asset classes. These investments will typically have a high-income component.

The Fund did not have any employees during the year.

There were no significant changes in the nature of the Fund's activities during the year.

Directors

The following persons held office as Directors of Channel Investment Management Limited ("CIML") during or since the end of the period and up to the date of this report:

Glen Holding	Executive Director
Sandra Birkenleigh	Non-Executive Chair
Bede King	Non-Executive Director
Karen Prentis	Non-Executive Director

Review and results of operations

There have been no significant changes to the operations of the Fund since the beginning of the financial year. The Fund continued to invest funds in accordance with target asset allocations as set out in the Product Disclosure Statements of the Fund and in accordance with the provisions of the Fund's Constitution.

The performance of the Fund, as represented by the results of its operations, were as follows:

	Year ended 30 June 2025	Year ended 30 June 2024
Operating profit/(loss) for the year attributable to unitholders (\$'000)	20,276	11,005
Distributions - Class A		
Distributions paid and payable (\$'000)	20,559	8,223
Distributions (cents per unit)	7.0612	7.4992
Distributions - Class B		
Distributions paid and payable (\$'000)	1,588	1,295
Distributions (cents per unit)	7.0294	7.8188
Distributions - Class C		
Distributions paid and payable (\$'000)	124	19
Distributions (cents per unit)	6.8572	7.6010

Significant changes in state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Fund that occurred during the financial year ended 30 June 2025.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect:

- (i) the operations of the Fund in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the state of affairs of the Fund in future financial years.

Likely developments and expected results of operations

The Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Fund.

The results of the Fund's operations will be affected by a number of factors, including the performance of investment markets in which the Fund invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Directors' report (continued)

Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Fund in regard to the insurance cover provided to either the officers of the Responsible Entity or the auditors of the Fund. So long as the officers of CIML act in accordance with the Fund's Constitution and the law, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund.

The auditors of the Fund are in no way indemnified out of the assets of the Fund.

Fees paid to and interests held in the Fund by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of Fund property during the year are disclosed in Note 15 to the financial statements.

No fees were paid out of Fund property to the Directors of the Responsible Entity during the year.

There were no interests in the Fund held by the Responsible Entity or its associates as at the end of the financial year.

Interests in the Fund

The movement in units on issue in the Fund during the period is disclosed in Note 13 to the financial statements.

The value of the Fund's assets and liabilities is disclosed on the statement of financial position and derived using the basis set out in Note 4 to the financial statements.

Environmental regulation

The operations of the Fund are not subject to any particular or significant environmental regulations under Commonwealth, State or Territory law.

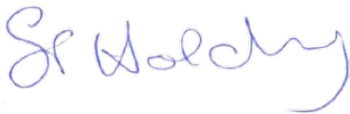
Rounding of amounts to the nearest thousand dollars

The Funds are entities of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that instrument, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars unless otherwise stated.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

This report is made in accordance with a resolution of the Directors of Channel Investment Management Limited, the Responsible Entity of the Fund.



Glen Holding
Director
Channel Investment Management Limited

Brisbane
23 September 2025



Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

**Shape the future
with confidence**

Auditor's independence declaration to the directors of Channel Investment Management Limited as Responsible Entity for KKR Global Credit Opportunities Fund (AUD)

As lead auditor for the audit of the financial report of KKR Global Credit Opportunities Fund (AUD) for the financial year ended 30 June 2025, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

The Ernst & Young logo, featuring the letters 'Ernst & Young' in a stylized, handwritten font.

Ernst & Young

A handwritten signature in black ink, appearing to read 'Rohit Khanna'.

Rohit Khanna
Partner
23 September 2025

Statement of comprehensive income

	Notes	Year ended 30 June 2025 \$'000	Year ended 30 June 2024 \$'000
Investment income			
Interest income from financial assets at amortised cost	5	1,456	909
Interest income from financial assets at fair value through profit or loss	5	20,580	8,219
Net gains/(losses) on financial instruments at fair value through profit or loss		429	2,430
Other income		622	528
Total investment income/(loss)		23,087	12,086
Expenses			
Investment management fees	15	2,178	849
Responsible Entity Fees	15	506	195
Other expenses		127	37
Total operating expenses		2,811	1,081
Operating profit/(loss) for the year		20,276	11,005
Finance costs attributable to unitholders			
Distributions to unitholders	7	(22,271)	(9,537)
(Increase)/decrease in net assets attributable to unitholders	13	1,995	(1,468)
Profit/(loss) for the year		-	-
Other comprehensive income		-	-
Total comprehensive income/(loss) for the financial year		-	-

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

		As at	
	Notes	30 June 2025 \$'000	30 June 2024 \$'000
Assets			
Cash and cash equivalents	8	67,847	41,303
Margin accounts		1,187	3,591
Receivables	11	4,179	2,020
Applications receivable		44	-
Due from brokers - receivable for securities sold		9,647	421
Financial assets at fair value through profit or loss	9	378,144	178,553
Total assets		461,048	225,888
Liabilities			
Redemptions payable		6,098	4,965
Distributions payable	7	4,941	2,331
Payables	12	286	278
Due to brokers - payable for securities purchased		30,081	11,046
Financial liabilities at fair value through profit or loss	10	961	65
Bank overdraft		-	128
Total liabilities		42,367	18,813
Net assets attributable to unitholders - liability	13	418,681	207,075

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

	Notes	Year ended 30 June 2025 \$'000	Year ended 30 June 2024 \$'000
Total equity at the beginning of the financial year		-	-
Comprehensive income/(loss) for the year			
Profit/(loss) for the year		-	-
Other comprehensive income/(loss)		-	-
Total comprehensive income/(loss) for the year		<u>-</u>	<u>-</u>
Transactions with owners in their capacity as owners		-	-
Total equity at the end of the financial year		<u>-</u>	<u>-</u>

Under Australian Accounting Standards, net assets attributable to unitholders are classified as a liability rather than equity. As a result, there was no equity at the start or end of the financial year. The distributions and the movements in net assets attributable to unitholders in the fund are recognised in the statements of comprehensive income as finance costs. Refer to Note 13 to the financial statements for further details.

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

	Notes	Year ended 30 June 2025 \$'000	Year ended 30 June 2024 \$'000
Cash flows from operating activities			
Payments for financial instruments at fair value through profit or loss		(382,572)	(222,540)
Proceeds from maturity/sales of financial instruments at fair value through profit or loss		194,199	99,798
Interest income received from financial assets at fair value through profit and loss		18,450	6,441
Net movement in margin accounts		2,404	(2,798)
Investment management fees paid		(2,059)	(841)
Interest income received from financial assets at amortised cost		1,456	909
Other income received		483	667
Responsible Entity fees paid		(478)	(178)
Other expenses paid		(156)	(59)
Net cash inflow/(outflow) from operating activities	16 (a)	(168,273)	(118,601)
Cash flows from financing activities			
Proceeds from applications by unitholders		261,748	147,079
Distributions paid to unitholders		(17,612)	(7,444)
Payments for redemptions by unitholders		(49,107)	(4,480)
Net cash inflow/(outflow) from financing activities		195,029	135,155
Net increase/(decrease) in cash and cash equivalents		26,756	16,554
Cash and cash equivalents at the beginning of the year		41,175	24,632
Effect of foreign currency exchange rate changes on cash and cash equivalents		(84)	(11)
Cash and cash equivalents at the end of the year	8	67,847	41,175
Reinvestment of distributions paid to unitholders	16 (b)	2,049	1,867

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

Contents	Page
1 General information	10
2 Summary of material accounting policies	10
3 Financial risk management	14
4 Fair value measurement	19
5 Interest income	22
6 Remuneration of auditors	22
7 Distribution to unitholders	22
8 Cash and cash equivalents	23
9 Financial assets at fair value through profit or loss	23
10 Financial liabilities at fair value through profit or loss	23
11 Receivables	23
12 Payables	23
13 Net assets attributable to unitholders	23
14 Derivative financial instruments	24
15 Related party transactions	25
16 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities	26
17 Events occurring after the reporting date	26
18 Contingent assets and liabilities	26

1 General information

These financial statements cover KKR Global Credit Opportunities Fund (AUD) (the "Fund") as an individual entity. The Fund was constituted on 4 August 2022, registered as a managed investment scheme on 9 August 2022 and commenced operations on 5 December 2022, and will terminate in accordance with the provisions of the Fund's Constitution or by Law.

The Responsible Entity of the Fund is Channel Investment Management Limited (ABN 22 163 234 240, AFSL 439007) (the "Responsible Entity"). The Responsible Entity's registered office is Level 19, Waterfront Place, 1 Eagle Street, Brisbane, QLD 4000. The financial statements are presented in the Australian currency.

The Fund is incorporated and domiciled in Australia.

KKR Australia Investment Management Pty Ltd is the investment manager ("Investment Manager") of the Fund. The Investment Manager is an affiliate of KKR & Co., a global alternative asset manager.

The Fund's investment objective is to provide unitholders with an income stream, as well as to achieve attractive long-term capital appreciation, over a full market cycle by providing investors with exposure to underlying credit investments that are diversified by number of investments and across geographies and asset classes. These investments will typically have a high-income component.

The Fund aims to invest opportunistically in a diversified portfolio of primarily loans, bonds, notes (fixed and floating rate) and other debt securities and related financial instruments, including asset-backed securities in accordance with the Fund's product disclosure statement and the provisions of the Fund's constitution.

The financial statements were authorised for issue by the directors of the Responsible Entity on 23 September 2025. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

2 Summary of material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001* in Australia. The Fund is a for-profit fund for the purpose of preparing the financial statements.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities, except where otherwise stated.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are generally expected to be recovered or settled within twelve months, except for investments in financial assets and net assets attributable to unitholders. The Fund manages investments in financial assets based on the economic circumstances at any given point in time, as well as to meet liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, but this amount cannot be reliably determined as at reporting date.

(i) Compliance with IFRS Accounting Standards

The financial statements of the Fund also comply with IFRS Accounting Standards as issued by the International Accounting Standards Board.

(ii) New Standards and interpretations effective after 1 July 2025 and have not been early adopted

AASB 18 Presentation and Disclosure in Financial Statements

AASB 18 was issued in June 2024 and replaces AASB 101 *Presentation of Financial Statements*. The new standard introduces new requirements for the statement of comprehensive income, including:

- new categories for the classification of income and expenses into operating, investing and financing categories, and
- presentation of subtotals for "operating profit" and "profit before financing and income taxes".

Additional disclosure requirements are introduced for management-defined performance measures and new principles for aggregation and disaggregation of information in the notes and the primary financial statements and the presentation of interest and dividends in the statement of cash flows. The new standard is effective for annual years beginning on or after 1 January 2027 and will apply to the Fund for the financial year ending 30 June 2028.

This new standard is not expected to have an impact on the recognition and measurement of assets, liabilities, income and expenses, however there will likely be changes in how the statement of comprehensive income and statement of financial position line items are presented as well as some additional disclosures in the notes to the financial statements.

Certain amendments to accounting standards have been published that are not mandatory for the 30 June 2025 reporting year and have not been early adopted by the Fund. These amendments are not expected to have a material impact on the Fund in the current or future reporting years and on foreseeable future transactions.

(iii) New and amended standards adopted by the Fund

There are no new standards or amendments to existing standards that are effective for the first time for the year ended 30 June 2025 that have a material impact on the amounts recognised in prior periods or will affect the current or future periods.

(iv) Investment entity

The Fund continued to meet the definition of 'investment entity' under the definition of AASB 10 *Consolidated Financial Statements* as the following criteria are met:

- The Fund obtains and manages funds for the purpose of providing investors of the Fund with investment management services;
- The Fund has committed to its investors that its business purpose is to invest funds to earn returns from both investment income and capital appreciation; and
- The Fund measures and evaluates the performance of substantially all its investments on a fair value basis.

As such, the Fund does not consolidate any entities.

2 Summary of material accounting policies (continued)

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in the Fund's financial statements are measured using the currency of the primary economic environment in which it operates (the 'functional currency'). This is the Australian dollar, which reflects the currency of the economy in which the Fund competes for funds and is regulated. The Australian dollar is also the Fund's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined. Translation differences on assets and liabilities carried at fair value are reported in the statement of comprehensive income on a net basis within net gains/(losses) on financial instruments at fair value through profit and loss.

(c) Financial instruments

(i) Classification

Financial Assets

The Fund classifies its financial assets in to those to be measured subsequently at fair value through profit or loss and those to be measured at amortised cost.

The Fund classifies its investments based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The Fund's portfolio of financial assets, comprised of investments in corporate bonds, private debt and debt securities, is managed and its performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund uses fair value information to assess performance of the portfolio and to make decisions to rebalance the portfolio or to realise fair value gains or minimise losses through sales or other trading strategies. The Fund's policy is for the Responsible Entity to evaluate the information about these financial assets on a fair value basis together with other related financial information.

For derivatives, the contractual cash flows held by the Fund are not solely principal and interest. Consequently, these investments are measured at fair value through profit or loss.

For cash and cash equivalents, margin cash and receivables, these assets are held in order to collect the contractual cash flows and the contractual terms of these assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Consequently, these are measured at amortised cost.

Financial Liabilities

Derivatives contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

For financial liabilities that are not classified and measured at fair value through profit and loss, these are classified as financial liabilities at amortised cost (bank overdraft, distribution payable, redemptions payable and due to brokers - payable for securities purchased).

(ii) Recognition/derecognition

The Fund recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in the fair value of the financial assets or financial liabilities from this date.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Fund has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liabilities are discharged, cancelled or expires.

(iii) Measurement

Financial instruments at fair value through profit or loss

At initial recognition, the Fund measures financial assets and financial liabilities at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of comprehensive income.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income within net gains/(losses) on financial instruments at fair value through profit or loss (including foreign currency movements) in the period in which they arise.

2 Summary of material accounting policies (continued)

(c) Financial instruments (continued)

(iii) Measurement (continued)

Financial instruments measured at amortised cost

For financial assets and financial liabilities at amortised cost, they are initially measured at fair value, including directly attributable costs, and are subsequently measured at amortised cost using the effective interest method.

For further details on how the fair value of financial instruments is determined please see Note 4 to the financial statements.

At each reporting date, the Fund shall measure the loss allowance on loans at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

(iv) Offsetting financial Instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. As at the end of the reporting year, there are no financial assets or liabilities offset in the Statement of financial position.

(d) Derivatives and hedging activities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. As at the end of the reporting year, there are no derivatives offset in the Statement of financial position.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

At inception of the hedge relationship, the Fund documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The group documents its risk management objective and strategy for undertaking its hedge transactions.

The fair values of derivative financial instruments consisting of foreign currency forward contracts designated in hedge relationships are disclosed in Note 14.

Fair value hedges

The Fund applies fair value hedge accounting to its derivative instruments and performs a hedge effectiveness assessment at each reporting period to determine whether the hedge will be highly effective over the term of the hedge relationship. The Fund designates the changes in value of the spot element of a forward contract (i.e. excluding the forward elements) as the hedging instrument for all of its hedging relationships involving forward contracts.

A qualitative assessment is made to determine whether an economic relationship exists between the hedged item and the hedging instrument. The effect of credit risk is assessed to determine whether it dominates the value changes that result from the economic relationship. Where the terms of the hedging instrument and hedged item do not match, the source of ineffectiveness in the hedge relationship is identified.

Any potential ineffectiveness will be measured using a quantitative assessment at each hedge testing date and accounted for in profit or loss. Potential sources of ineffectiveness identified by the Fund with respect to the foreign exchange exposures include:

- The amount of the currency exposure being hedged changes due to a change in the fair value of the underlying asset; or
- The impact of credit/debit valuation adjustments on the hedging.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in the profit or loss immediately and are included in the Net gains/(losses) on financial instruments at fair value through profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

The carrying value of the hedged investment is adjusted for fair value changes attributable to the risk being hedged, and those fair value changes are recognised in the Statement of profit or loss and other comprehensive income. The hedging instrument is measured at fair value, with changes in fair value also recognised in Statement of profit or loss and other comprehensive income.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, exercised, or when it no longer qualifies for hedge accounting.

(e) Net assets attributable to unitholders

Units are redeemable at the unitholders' option, however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of unitholders in accordance with the Fund's constitution. The units can be put back to the Fund at any time for cash based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the end of the reporting period if unitholders exercised their right to redeem units in the Fund.

The units are carried at the redemption amount that is payable at the reporting date if the holder exercises the right to put the units back to the Fund. This amount represents the expected cash flows on redemption of these units.

Units are classified as equity when they satisfy all of the following criteria under AASB 132 *Financial Instruments: Presentation*:

- the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of the Fund's liquidation;
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical;
- the puttable financial instrument does not include any contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Fund, and is not a contract settled in the Fund's own equity instruments;
- the total expected cash flows attributable to the puttable financial instrument over the life are based substantially on the profit or loss.

2 Summary of material accounting policies (continued)

(e) Net assets attributable to unitholders (continued)

As this is a multi-class fund, units in the Fund are classified as financial liabilities as they do not meet the criteria outlined above in accordance with AASB 132 *Financial Instruments: Presentation*.

(f) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Payments and receipts relating to the purchase, if any, and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Fund's main income generating activity.

(g) Margin accounts

Margin accounts comprise cash held as collateral for derivative transactions. The cash is held by the broker and is only available to meet margin calls.

(h) Investment income

Interest income from financial assets at amortised cost is recognised on a time-proportionate basis using the effective interest method and includes interest from cash and cash equivalents and margin accounts.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.

Interest income from financial assets at fair value through profit or loss is also recognised in the statement of comprehensive income and is disclosed as interest income from financial assets at fair value through profit or loss. Changes in fair value of financial assets at fair value through profit or loss are recorded in accordance with the policies described in Note 2(c)(iii) to the financial statements.

(i) Expenses

All expenses which are paid from the assets of the Fund, including responsible entity's fees and custodian fees, are recognised in profit or loss on an accruals basis.

(j) Distributions

In accordance with the Fund's Constitution, the Fund distributes its distributable (taxable) income, and any other amounts determined by the Responsible Entity, to unitholders by cash or reinvestment. The distributions are recognised in the statement of comprehensive income as finance costs attributable to unitholders.

(k) Increase/decrease in net assets attributable to unitholders

Income not distributed is included in net assets attributable to unitholders. As the Fund's units are classified as liabilities, movements in net assets attributable to unitholders are recognised in the Statement of Comprehensive Income as finance costs.

(l) Due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the year. The due from brokers balance is held for collection and consequently measured at amortised cost.

These amounts are recognised initially at fair value and subsequently measured at amortised cost.

(m) Receivables

Receivables may include amounts for accrued interest income and Reduced Input Tax Credits (RITC). Interest is accrued at the end of each reporting period from the time of last interest payment in accordance with the policy set out in note 2(h) above. RITC is the amount of Goods and Service Tax (GST) recoverable from the Australian Taxation Office (ATO).

Amounts are generally received within 30 days of being recorded as receivables.

These amounts are recognised initially at fair value and subsequently measured at amortised cost.

2 Summary of material accounting policies (continued)

(n) Payables

Payables include redemptions payables, distributions payable and accrued expenses owed by the Fund which are unpaid as at the end of the reporting period.

As the Fund has a contractual obligation to distribute its distributable income, a separate distribution payable is recognised in the statement of financial position as at the end of each reporting period where this amount remains unpaid as at the end of the reporting period.

(o) Applications and redemptions

Applications received for units in the Fund are recorded net of any entry fees payable prior to the issue of units in the Fund. Redemptions from the Fund are recorded gross of any exit fees payable after the cancellation of units redeemed.

(i) Applications receivable

Applications receivable are recorded when the applications are made for units in the Fund with the consideration yet to be received as at the end of the reporting date.

(ii) Redemptions payable

Redemptions payable are recognised when the unitholder returns their holdings back into the Fund foregoing all rights associated with the units, with the payment yet to be released.

(p) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Fund by third parties such as audit fees, custodial services and investment management fees have been passed onto the Fund. The Fund qualifies for RITC at a rate of 55% or 75%, hence investment management fees, custodial fees and other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the statement of financial position. Cash flows relating to GST are included in the statement of cash flows on a gross basis.

(q) Use of estimates and judgements

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Fund's financial instruments, quoted market prices are readily available. However, certain financial instruments, for example over-the-counter derivatives or unquoted securities, are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Responsible Entity, independent of the area that created them.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

For certain other financial instruments, including amounts due from/to brokers and payables, the carrying amounts approximate fair value due to the short-term nature of these financial instruments.

(r) Rounding of amounts

The Fund is an entity of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that instrument, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars unless otherwise stated.

3 Financial risk management

(a) Objectives, strategies, policies and processes

The Fund's activities expose it to a variety of financial risks including market risk (which incorporates price risk, foreign exchange risk, and interest rate risk), credit risk and liquidity risk.

The Fund's overall risk management program focuses on ensuring compliance with the Fund's Product Disclosure Statement and seeks to maximise the returns derived for the level of risk to which the Fund is exposed. Financial risk management is carried out by the Investment Manager under policies approved by the Board of Directors of the Responsible Entity (the Board).

The Fund uses different methods to measure different types of risk to which it is exposed. These methods includes sensitivity analysis in the case of interest rate risk and ratings analysis for credit risk.

As part of its risk management strategy, the Fund uses different methods to measure different types of risk to which it is exposed. These methods are explained below.

(b) Market risk

(i) Price Risk

The Fund is exposed to securities and derivatives price risk. This arises from investments held by the Fund for which prices in the future are uncertain. Where non-monetary financial instruments are denominated in currencies other than the Australian dollar, the price in the future will also fluctuate because of changes in foreign exchange rates. Securities and derivatives are classified in the statements of financial position as at fair value through profit or loss. All securities investments present a risk of loss of capital.

3 Financial risk management (continued)

(b) Market risk (continued)

(i) Price Risk (continued)

The Fund's overall market positions are reported to the Board on a regular basis.

As at year end, the fair value of securities and related derivatives exposed to price risk were as follows:

	Fair value \$'000	% of net assets attributable to unitholders
As at 30 June 2025		
Financial assets at fair value through profit or loss		
Equity securities	4,475	1.07%
Corporate bonds	150,391	35.92%
Term loans	181,449	43.34%
Asset-backed securities	36,366	8.69%
Foreign currency forward contracts	5,463	1.30%
Total financial assets at fair value through profit or loss	378,144	90.32%
Financial liabilities at fair value through profit or loss		
Foreign currency forward contracts	961	0.23%
Total financial liabilities at fair value through profit or loss	961	0.23%
As at 30 June 2024		
Financial assets at fair value through profit or loss		
Corporate bonds	83,128	40.14%
Term loans	90,228	43.57%
Asset-backed securities	4,207	2.03%
Foreign currency forward contracts	990	0.48%
Total financial assets at fair value through profit or loss	178,553	86.22%
Financial liabilities at fair value through profit or loss		
Foreign currency forward contracts	65	0.03%
Total financial liabilities at fair value through profit or loss	65	0.03%

(ii) Foreign exchange risk

Foreign exchange risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

The Fund has assets and liabilities denominated in currencies other than the Australian dollar, the Fund's functional and presentation currency. The Fund is therefore exposed to foreign exchange risk as the value of monetary and non-monetary assets and liabilities denominated in other currencies fluctuate due to changes in exchange rates. The Investment Manager monitors the exposure of all foreign currency denominated assets and liabilities.

Foreign exchange risk is managed by predominantly hedging currency risk back to the base currency of the Fund, which is the Australian Dollar, with the goal of reducing the impact of adverse movements in overseas currencies. The Fund uses forward foreign currency exchange contracts for hedging the foreign exchange exposure in order to implement the investment strategy of the Fund and to manage the risk associated with the fair value of certain investments. The Fund manages currency risk by establishing limits as to the types and degrees of risk that may be undertaken. Additionally, the Investment Manager monitors the fluctuation in its value and compares these fluctuations to its risk objective.

The decision to hedge to any particular basis (i.e. cost, face value or market value) is not fixed and can be subject to change based on the Investment Manager's assessment of risk. At a minimum, the Manager expects to re-evaluate its hedging strategy on a monthly basis to capture changes in the net assets value of the Fund.

The Fund uses a customised currency management tool within its information technology systems. This system allows the Fund to monitor foreign exchange exposures against derivatives and liability-based hedges at the currency, portfolio and asset levels. In executing new trades, the Fund investment teams will use market data from Bloomberg, Thomson Reuters and quotes directly from dealers in evaluating the relative costs of hedging foreign exchange across products, tenors and strategies. The Fund's relevant investment team incorporates the impact of these hedging costs in their investment analysis and as a consideration in the Fund's relevant investment committee approval process.

The table below summarises the Fund's net exposure to different major currencies, including the notional value of forward foreign currency exchange contracts:

	USD \$'000	EUR \$'000
As at 30 June 2025		
Cash and cash equivalents	15,997	3,061
Receivables	3,265	543
Due from brokers - receivable for securities sold	5,129	4,447
Financial assets at fair value through profit or loss	315,175	62,969
Due to brokers - payable for securities purchased	(20,098)	(9,983)
Financial liabilities at fair value through profit or loss	(66)	(895)
Gross exposure	319,402	60,142
Net exposure from forward currency contracts	(307,531)	(60,109)
Net exposure	11,871	33

3 Financial risk management (continued)

(b) Market risk (continued)

(ii) Foreign exchange risk (continued)

	USD \$'000	EUR \$'000
As at 30 June 2024		
Cash and cash equivalents	1,119	15
Receivables	1,524	322
Due from brokers - receivable for securities sold	378	-
Financial assets at fair value through profit or loss	146,068	31,495
Due to brokers - payable for securities purchased	(9,390)	(1,656)
Gross exposure	139,699	30,176
Net exposure from forward currency contracts	(143,161)	(89,693)
Net exposure	(3,462)	(59,517)

The table at Note 3(c) summarises the sensitivities of the Fund's monetary and non-monetary assets and liabilities to foreign exchange risk. The analysis is based on the reasonably possible shift that the Australian dollar weakened and strengthened by +/-10% against the material foreign currencies to which the Fund is exposed.

(iii) Interest rate risk

The Fund's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The risk is measured using sensitivity analysis.

The Fund's main interest rate risk arises from its investments in fixed interest rate securities.

The Investment Manager may determine it is in the best interests of the Fund to manage the overall interest rate risk of the Fund by hedging with various interest rate derivatives, such as interest rate futures, as deemed appropriate from time to time.

The table below summarises the Fund's exposure to interest rate risk at the end of the reporting period.

As at 30 June 2025	Floating Interest Rate \$'000	Fixed Interest Rate \$'000	Non-interest Bearing \$'000	Total \$'000
Financial Assets				
Cash and cash equivalents	67,847	-	-	67,847
Margin accounts	1,187	-	-	1,187
Receivables	-	-	4,179	4,179
Applications receivable	-	-	44	44
Due from brokers - receivable for securities sold	-	-	9,647	9,647
Financial assets at fair value through profit or loss	210,724	155,413	12,007	378,144
Total Financial Assets	279,758	155,413	25,877	461,048
Financial Liabilities				
Redemptions payable	-	-	6,098	6,098
Distributions payable	-	-	4,941	4,941
Payables	-	-	286	286
Due to brokers - payable for securities purchased	-	-	30,081	30,081
Financial liabilities at fair value through profit or loss	-	-	961	961
Total Financial Liabilities	-	-	42,367	42,367
Net exposure	279,758	155,413	(16,490)	418,681

3 Financial risk management (continued)

(b) Market risk (continued)

(iii) Interest rate risk (continued)

As at 30 June 2024	Floating Interest Rate \$'000	Fixed Interest Rate \$'000	Non-interest Bearing \$'000	Total \$'000
Financial Assets				
Cash and cash equivalents	41,303	-	-	41,303
Margin accounts	3,591	-	-	3,591
Receivables	-	-	2,020	2,020
Due from brokers - receivable for securities sold	-	-	421	421
Financial assets at fair value through profit or loss	94,435	81,740	2,378	178,553
Total Financial Assets	139,329	81,740	4,819	225,888
Financial Liabilities				
Bank overdraft	128	-	-	128
Distributions payable	-	-	2,331	2,331
Payables	-	-	278	278
Redemptions payable	-	-	4,965	4,965
Due to brokers - payable for securities purchased	-	-	11,046	11,046
Financial liabilities at fair value through profit or loss	-	-	65	65
Total Financial Liabilities	128	-	18,685	18,813
Net exposure	139,201	81,740	(13,866)	207,075

The table at Note 3(c) summarises the impact of an increase/decrease of interest rates on the Fund's operating profit and net assets attributable to unitholders through changes in fair value of changes in future cash flows. The analysis is based on the assumption that the interest rates changed by +/-10% (2024: +/-10%) from the year end rates with all other variables held constant.

(c) Summarised sensitivity analysis

An increase of 10% at the reporting date of the market prices attributable to the assets held by the Fund would have the following impact on the Fund's operating profit/(loss) and net assets attributable to unitholders. This analysis assumes that all other variables remain constant. A decrease of 10% would have an equal, but the opposite effect to the amounts shown below, on the basis that all other variables remain constant.

	Impact on operating profit/net assets attributable to unitholders	
	30 June 2025 \$'000	30 June 2024 \$'000
+10% Price movement - Impact on the Fund's operating profit/(loss) and net assets attributable to unitholders	37,718	17,849
-10% Price movement - Impact on the Fund's operating profit/(loss) and net assets attributable to unitholders	(37,718)	(17,849)

The following table summarises the sensitivity of the Fund's operating profit and net assets attributable to unitholders to market risks. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in foreign exchange rates, interest rates and the historical correlation of the Fund's investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market movements resulting from changes in the performance of and/or correlation between the performances of the economies, markets and securities in which the Fund invests. As a result, historic variations in risk variables should not be used to predict future variances in the risk variables.

	Impact on operating profit/net assets attributable to unitholders			
	Foreign exchange risk			
	+10% USD \$'000	-10% USD \$'000	+10% EUR \$'000	-10% EUR \$'000
As at 30 June 2025	(1,187)	1,187	(3)	3
As at 30 June 2024	346	(346)	5,952	(5,952)
	Impact on operating profit/net assets attributable to unitholders			
	Interest rate risk			
	+1% \$'000		-1% \$'000	
As at 30 June 2025	2,798		(2,798)	
As at 30 June 2024	1,091		(1,091)	

The sensitivity of the interest income is the effect of the assumed changes in interest rates on the interest income for the period, based on the floating rate financial assets held as at 30 June 2025 with all other variables remaining constant.

3 Financial risk management (continued)

(d) Credit risks

The Fund is exposed to credit risk, which is the risk that counterparty may fail to repay the principal, make interest payments or fulfil other financial obligations in full and/or when they fall due in respect of any credit instrument invested in by the Fund, causing financial loss to the Fund.

The main concentration of credit risk, to which the Fund is exposed, arises from the Fund's investment in debt securities. The Fund is also exposed to counterparty credit risk on derivative financial instruments, cash and cash equivalents, amounts due from brokers and other receivables.

The Fund manages counterparty risk by only dealing with reputable counterparties.

All exchange traded derivatives are executed through brokers, and cleared through a clearing broker. Over the counter derivative transactions are conducted only with approved counterparties, who meet the applicable specific Fund requirements and where trading documentation is in place.

The Investment Manager manages the credit risk associated with debt securities by performing a detailed credit analysis, including the following:

- business analysis, which involves a comprehensive fundamental evaluation of a company and includes historical and projected financial modelling;
- capital structure analysis, which evaluates the terms and structure of a company's debt and equity securities relative to the company's business risk;
- valuation analysis, which considers the enterprise value of a company in both the public and private markets; and
- robust research and data systems which provide real-time portfolio-level information.

(i) Debt securities

The Fund invest in higher-yielding credit investments which have a higher risk of loss. In most cases, such investments will be rated below "investment grade" or will be not rated. As such, this exposes the Fund to risk of counterparty not making their interest payments or principal repayments. Investment grade are securities with a credit rating of BBB or better assigned by Standard & Poor's.

An analysis of debt by rating is set out in the table below.

	As at	
	30 June 2025	30 June 2024
	\$'000	\$'000
BBB+ to BBB-	910	3,833
BB+ to BB-	54,708	16,883
B+ to B-	205,060	91,264
CCC+ to CCC-	59,506	50,489
D	1,845	-
Not rated	46,177	15,094
Total	368,206	177,563

(ii) Settlement of securities transactions

All transactions in settled/paid for upon delivery using approved brokers. The risk of default is considered low, as delivery of securities sold is only made once the broker has received payment. Payment is made once the securities purchased have been received by the broker. The trade will fail if either party fails to meet its obligations.

(iii) Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents and margin accounts are low as all counterparties have a rating of A+ (2024: Aa-) as determined by Standard & Poor's or higher.

(iv) Other

The Fund is not materially exposed to credit risk on other financial assets.

(v) Maximum exposure to credit risk

The Fund holds no collateral as security or any other credit enhancement. The maximum exposure to credit risk at the end of each reporting period is the carrying amount of the financial assets.

(e) Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. This risk is controlled through the Fund's investment in financial instruments, which under normal market conditions are readily convertible to cash. In addition, the Fund maintains sufficient cash and cash equivalents to meet normal operating requirements.

In accordance with the Fund's policy, the Responsible Entity monitors the Fund's liquidity position on a monthly basis. The Fund's policy is reviewed annually. In order to manage the Fund's overall liquidity, the responsible entity has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unitholders. The Fund did not reject or withhold any redemptions during the year ended 30 June 2025.

The Fund's Constitution provides for monthly application and redemption of units and it is therefore exposed to liquidity risk of meeting unitholder redemptions at any time. Units are redeemed on demand at the unitholder's option.

(i) Maturities of non-derivative financial liabilities

The table below analyses the Fund's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Net assets attributable to unitholders is not considered a financial liability but has been included below as units are redeemed on demand at the unitholder's option. However, the Fund does not envisage that the contractual maturity disclosed in the table below will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

3 Financial risk management (continued)

(e) Liquidity risk (continued)

	Less than 1 month \$'000	1 to 6 months \$'000	7 to 12 months \$'000	Over 12 months \$'000	Total \$'000
At 30 June 2025					
Payables	286	-	-	-	286
Redemptions payable	6,098	-	-	-	6,098
Due to brokers - payable for securities purchased	19,644	10,437	-	-	30,081
Distributions payable	4,941	-	-	-	4,941
Net assets attributable to unitholders - liability	418,681	-	-	-	418,681
Contractual cash flows (excluding derivatives)	449,650	10,437	-	-	460,087

	Less than 1 month \$'000	1 to 6 months \$'000	7 to 12 months \$'000	Over 12 months \$'000	Total \$'000
At 30 June 2024					
Bank overdraft	128	-	-	-	128
Payables	278	-	-	-	278
Redemptions payable	4,965	-	-	-	4,965
Due to brokers - payable for securities purchased	11,046	-	-	-	11,046
Distributions payable	2,331	-	-	-	2,331
Net assets attributable to unitholders - liability	207,075	-	-	-	207,075
Contractual cash flows (excluding derivatives)	225,823	-	-	-	225,823

(ii) Maturities of net settled derivative financial instruments

The table below analyses the Fund's net settled derivative financial instruments based on their contractual maturity. The Fund may, at its discretion, settle financial instruments prior to their original contractual settlement date, in accordance with its investment strategy, where permitted by the terms and conditions of the relevant instruments.

	Less than 1 month \$'000	1 to 6 months \$'000	7 to 12 months \$'000	Over 12 months \$'000	Total \$'000
At 30 June 2025					
Net settled derivatives					
Forward currency contracts	4,601	(99)	-	-	4,502
Total net settled derivatives	4,601	(99)	-	-	4,502
At 30 June 2024					
Net settled derivatives					
Forward currency contracts	979	(54)	-	-	925
Total net settled derivatives	979	(54)	-	-	925

4 Fair value measurement

The Fund measures and recognises financial assets and liabilities at fair value through profit or loss on a recurring basis.

The Fund has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

Fair value hierarchy

Classification of financial assets and financial liabilities

The Fund classifies fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

4 Fair value measurement (continued)

(a) Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets (such as fixed and floating interest and securities and forward currency contracts) are based on quoted market prices at the close of trading at the end of the reporting period without any deduction for estimated future selling costs. The Fund values its investments in accordance with the accounting policies set out in Note 2 to the financial statements. For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

The Fund measures instruments quoted in an active market at mid-market pricing and adjust to the point within the bid-ask range that meets the Fund's best estimate of fair value, because this price provides a reasonable approximation of the exit price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

(b) Fair value in an inactive or unquoted market (Level 2 and Level 3)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

The fair value of derivatives that are not exchange traded is estimated at the amount that the Fund would receive or pay to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

The following table presents the Fund's financial assets and liabilities measured and recognised at fair value according to the fair value hierarchy at 30 June 2025 and 30 June 2024:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
At 30 June 2025				
Financial assets				
Equity securities	1,010	-	3,465	4,475
Corporate bonds	-	150,391	-	150,391
Term loans	-	179,730	1,719	181,449
Asset-backed securities	-	-	36,366	36,366
Foreign currency forward contracts	-	5,463	-	5,463
Total financial assets	1,010	335,584	41,550	378,144
Financial liabilities				
Foreign currency forward contracts	-	961	-	961
Total financial liabilities	-	961	-	961
At 30 June 2024				
Financial assets				
Corporate bonds	-	83,128	-	83,128
Term loans	-	90,000	228	90,228
Asset-backed securities	-	-	4,207	4,207
Foreign currency forward contracts	-	990	-	990
Total financial assets	-	174,118	4,435	178,553
Financial liabilities				
Foreign currency forward contracts	-	65	-	65
Total financial liabilities	-	65	-	65

There were no transfers between levels during the year ended 30 June 2025 and 30 June 2024.

4 Fair value measurement (continued)

(c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the movement in level 3 instruments for the year by class of financial instrument:

	Year ended 30 June 2025 \$'000			
	Equity securities	Term loans	Asset-backed securities	Total
Opening balance	-	228	4,207	4,435
Purchases	5,508	1,349	49,047	55,904
Sales	-	(8)	(14,894)	(14,902)
Gains/(losses) recognised in the statement of comprehensive income	(2,043)	150	(1,994)	(3,887)
Closing balance	3,465	1,719	36,366	41,550
Total unrealised gains/(losses) included in the statement of comprehensive income for assets held at the end of the reporting period	(2,043)	16	49	(1,978)

	Year ended 30 June 2024 \$'000			
	Equity securities	Term loans	Asset-backed securities	Total
Opening balance	-	-	-	-
Purchases	-	227	4,273	4,500
Sales	-	-	-	-
Gains/(losses) recognised in the statement of comprehensive income	-	1	(66)	(65)
Closing balance	-	228	4,207	4,435
Total unrealised gains/(losses) included in the statement of comprehensive income for assets held at the end of the reporting period	-	1	(66)	(65)

(d) Level 3 fair value measurements unobservable input and sensitivity analysis

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Type	Fair Value \$'000 30 June 2025	Valuation Technique ⁽¹⁾	Key Unobservable Inputs	Range of inputs	Impact to fair value from an increase in unobservable inputs
Equity securities	3,465	Market Comparable	FWD EBITDA	12.0x	Increase in fair value
Term loans	1,719	Yield Analysis	Yield	12.3%	Decrease in fair value
			EBITDA Multiple	6.6x	Increase in fair value
			Discount margin	5.7%	Decrease in fair value
		Market Comparable	EBITDA Multiple	8.3x - 12.0x	Increase in fair value
Asset backed securities	36,366	Yield analysis	Discount Margin	0.7% - 9.0%	Decrease in fair value
		Discounted cash flows	Probability of default	1.0% - 2.0%	Decrease in fair value
			Constant prepayment rate ⁽²⁾	20.0%	Increase in fair value

Type	Fair Value \$'000 30 June 2024	Valuation Technique ⁽¹⁾	Key Unobservable Inputs	Range of inputs	Impact to fair value from an increase in unobservable inputs
Term loans	228	Yield Analysis	Yield	12.8%	Decrease in fair value
			EBITDA Multiple	11.3x	Increase in fair value
			Discount margin	3.8%	Decrease in fair value
Asset backed securities	4,207	Yield analysis	Discount Margin	6.6% - 6.9%	Decrease in fair value
		Discounted cash flows	Probability of default	2.0%	Decrease in fair value
			Constant prepayment rate ⁽²⁾	20.00%	Increase in fair value

⁽¹⁾ For the assets that have more than one valuation technique, the Fund may rely on the techniques individually or in aggregate based on a weight ascribed to each one ranging from 0-100%. When determining the weighting ascribed to each valuation methodology, the Fund considers, among other factors, the availability of direct market comparables, the applicability of a discounted cash flow analysis and the expected hold period and manner of realisation for the investment. These factors can result in different weightings among the investments and in certain instances, may result in up to a 100% weighting to a single methodology.

⁽²⁾ An increase in the constant prepayment rate would decrease the fair value of a security trading above par and increase the fair value of a security trading below par. Weighted average amounts are based on the estimated fair values.

5 Interest income

	Year ended 30 June 2025 \$'000	Year ended 30 June 2024 \$'000
Interest income from financial assets at fair value through profit or loss	20,580	8,219
Interest income from financial assets at amortised cost	1,456	909
Total interest income	22,036	9,128

6 Remuneration of auditors

During the year, the following fees were paid or payable for services provided by the auditors of the Fund, Ernst & Young (EY) and by their related network firms:

	Year ended 30 June 2025 \$	Year ended 30 June 2024 \$
EY and related network firms		
<i>Audit and other assurance services</i>		
Audit financial statements	18,489	14,000
Half-year review of financial statements	5,175	-
Audit of compliance plan	6,256	6,600
Total services provided by EY	29,920	20,600

The fees for audit, other assurance services and non-audit services are paid by the Responsible Entity out of the Responsible Entity fees it receives.

7 Distribution to unitholders

The distributions paid/payable during the period were as follows:

	Year ended 30 June 2025 \$'000	CPU	Year ended 30 June 2024 \$'000	CPU
Distributions - Class A				
July	957	0.5285	-	-
August	1,031	0.5299	-	-
September	1,166	0.5332	1,356	2.0310
October	1,207	0.5333	-	-
November	1,233	0.5276	-	-
December	1,293	0.5266	1,437	1.5657
January	1,421	0.5312	534	0.5227
February	1,872	0.5326	582	0.5251
March	1,889	0.5232	636	0.5930
April	1,920	0.5177	699	0.5290
May	1,987	0.5251	863	0.5280
June (payable)	4,583	1.2523	2,116	1.2047
Total distributions	20,559	7.0612	8,223	7.4992
Distributions - Class B				
July	93	0.5272	-	-
August	94	0.5287	-	-
September	100	0.5289	369	2.3541
October	105	0.5306	-	-
November	111	0.5258	-	-
December	120	0.5270	275	1.6476
January	124	0.5284	87	0.5243
February	126	0.5298	87	0.5184
March	130	0.5204	89	0.5291
April	131	0.5150	87	0.5127
May	134	0.5223	91	0.5231
June (payable)	320	1.2453	210	1.2095
Total distributions	1,588	7.0294	1,295	7.8188
Distributions - Class C				
July	2	0.5132	-	-
August	2	0.5120	-	-
September	4	0.5163	5	2.3091
October	6	0.5174	-	-
November	6	0.5121	-	-
December	7	0.5221	3	1.5840
January	10	0.5153	1	0.5056
February	10	0.5166	1	0.5083
March	12	0.5074	1	0.5005
April	13	0.5020	1	0.5110
May	14	0.5091	2	0.5043
June (payable)	38	1.2137	5	1.1782
Total distributions	124	6.8572	19	7.6010
Total distributions	22,271		9,537	

8 Cash and cash equivalents

	30 June 2025 \$'000	As at 30 June 2024 \$'000
Cash at bank	67,847	41,303
Total cash and cash equivalents	67,847	41,303

Reconciliation to statement of cashflows

The above cash and cash equivalents reconcile to the amount of cash and cash equivalents shown in the statement of cash flows at the end of the financial year as follows:

	30 June 2025 \$'000	As at 30 June 2024 \$'000
Total cash and cash equivalents	67,847	41,303
Bank overdrafts	-	(128)
Cash and cash equivalents per statement of cash flows	67,847	41,175

9 Financial assets at fair value through profit or loss

	30 June 2025 \$'000	As at 30 June 2024 \$'000
Financial assets		
Equity securities	4,475	-
Corporate bonds	150,391	83,128
Term loans	181,449	90,228
Asset-backed securities	36,366	4,207
Foreign currency forward contracts	5,463	990
Total financial assets at fair value through profit or loss	378,144	178,553

An overview of the risk exposures and fair value measurements relating to financial assets at fair value through profit or loss is included in Note 3 and Note 4 to the financial statements.

10 Financial liabilities at fair value through profit or loss

	30 June 2025 \$'000	As at 30 June 2024 \$'000
Financial liabilities		
Foreign currency forward contracts	961	65
Total financial liabilities at fair value through profit or loss	961	65

An overview of the risk exposures and fair value measurements relating to financial liabilities at fair value through profit or loss is included in Note 3 and Note 4 to the financial statements.

11 Receivables

	30 June 2025 \$'000	As at 30 June 2024 \$'000
Interest receivable	4,120	1,990
RITC receivable	59	30
Total receivables	4,179	2,020

12 Payables

	30 June 2025 \$'000	As at 30 June 2024 \$'000
Management fees payable	232	113
Administration fees payable	54	26
Other payables	-	139
Total payables	286	278

13 Net assets attributable to unitholders

As this is a multi-class fund, units in the Fund are classified as financial liabilities as they do not meet the criteria outlined in Note 2(c) in accordance with AASB 132 *Financial Instruments: Presentation*. Because the Fund's redemption unit price is based on different valuation principles to those applied in the financial statements, a valuation difference exists, which has been treated as a separate component of net assets attributable to unitholders. Changes in the value are taken to profit or loss as they arise.

The Fund shall classify a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions set out in Note 2(c).

13 Net assets attributable to unitholders (continued)

Movements in the number of units and net assets attributable to unitholders during the year were as follows:

	Year ended 30 June 2025		Year ended 30 June 2024	
	Units '000	Dollars \$'000	Units '000	Dollars \$'000
Class A				
Opening balance	180,681	188,090	52,280	52,469
Applications	234,237	247,065	133,654	139,440
Redemptions	(45,256)	(47,114)	(7,063)	(7,335)
Reinvestment of distributions	1,953	2,049	1,810	1,867
Increase/(decrease) in net assets attributable to unitholders	-	(1,679)	-	1,649
Closing balance	371,615	388,411	180,681	188,090
Class B				
Opening balance	17,674	18,523	15,428	16,379
Applications	11,199	11,770	4,030	4,172
Redemptions	(3,000)	(3,126)	(1,784)	(1,842)
Increase/(decrease) in net assets attributable to unitholders	-	(279)	-	(186)
Closing balance	25,873	26,888	17,674	18,523
Class C				
Opening balance	444	462	200	207
Applications	2,895	2,957	244	250
Increase/(decrease) in net assets attributable to unitholders	-	(37)	-	5
Closing balance	3,339	3,382	444	462
	Year ended 30 June 2025		Year ended 30 June 2024	
	Units '000	Dollars \$'000	Units '000	Dollars \$'000
Total opening balance	198,799	207,075	67,908	69,055
Total applications	248,331	261,792	137,928	143,862
Total redemptions	(48,256)	(50,240)	(8,847)	(9,177)
Total reinvestment of distributions	1,953	2,049	1,810	1,867
Increase/(decrease) in net assets attributable to unitholders	-	(1,995)	-	1,468
Closing balance	400,827	418,681	198,799	207,075

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right in the underlying assets of the Fund. There are three separate classes of units and each unit within the same class has the same rights attaching to it as all other units within the same class.

Units are redeemed on demand at the unitholders option. As such, the amount expected to be settled within twelve months after the end of the reporting period cannot be reliably determined.

Capital risk management

The Fund manages its net assets attributable to unitholders as capital. The amount of net assets attributable to unitholders can change significantly on a monthly basis as the Fund is subject to monthly applications and redemptions at the discretion of unitholders.

The Fund monitors the level of monthly applications and redemptions relative to the liquid assets in the Fund. The Fund's strategy is to hold a certain portion of the net assets attributable to unitholders in liquid investments. Liquid assets include cash and cash equivalents. Under the terms of the Fund's Constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units, if the exercise of such discretion is in the best interests of unitholders.

14 Derivative financial instruments

In the normal course of business the Fund enters into transactions in various derivative financial instruments which have certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

Derivative transactions include many different instruments such as forwards, futures and options. Derivatives are considered to be part of the investment process and the use of derivatives is an essential part of the Fund's portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- Hedging to protect investments of the Fund against a fluctuation in foreign currency exchange rates.
- Hedging to protect income generated by the Fund's investments against a fluctuation in foreign currency exchange rates.

14 Derivative financial instruments (continued)

(a) Foreign currency forward contracts

The Fund holds the following derivative instruments:

Foreign currency forward contracts are primarily used by the Fund to economically hedge against foreign currency exchange rate risks on its non-Australian dollar denominated trading securities. The Fund agrees to receive or deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. Foreign currency forward contracts are valued at the prevailing bid price at the end of each reporting period. The Fund recognises a gain or loss equal to the change in fair value at the end of each reporting period.

The Fund's derivative financial instruments at year end are detailed below:

	Fair Value Contractual/ notional \$'000	Fair Value Assets \$'000	Fair Value Liabilities \$'000
As at 30 June 2025			
Foreign currency forward contracts	372,140	5,463	961
Total	372,140	5,463	961
	Fair Value Contractual/ notional \$'000	Fair Value Assets \$'000	Fair Value Liabilities \$'000
As at 30 June 2024			
Foreign currency forward contracts	233,775	990	65
Total	233,775	990	65

(b) Risk exposures and fair value measurements

Information about the Fund's exposure to credit risk and interest rate risk and about the methods and assumptions used in determining fair values is provided in Note 3 and Note 4 to the financial statements. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of derivative financial instruments disclosed above.

15 Related party transactions

The Responsible Entity of KKR Global Credit Opportunities Fund (AUD) is Channel Investment Management Limited, whose ultimate holding company is Channel Capital Pty Ltd.

Channel Investment Management Limited has appointed KKR Australia Investment Management Pty Ltd as the Investment Manager of the Fund.

The following fees are charged by the Responsible Entity:

(i) Management fee

The Investment Manager will be entitled to management fee of 0.66625% per annum (including GST less RITC) of the net asset value of the Class A Units, 0.76875% per annum (including GST less RITC) of the net asset value of the Class B Units, and 0.9225% per annum (including GST less RITC) of the net asset value of the Class C Units.

The management fee is calculated and accrued monthly. This fee is deducted from the assets of the Fund and is generally paid monthly in arrears. The deduction of the management fee is reflected in the Fund's unit price.

(ii) Responsible Entity fee

The Responsible Entity is entitled to a monthly fee of 0.1045% per annum (including GST less RITC) for acting as a responsible entity of the Fund. The Responsible Entity fee is calculated and accrued monthly and paid monthly in arrears out of the Fund's assets. The Responsible Entity fee is subject to a minimum annual fee of \$172,425 (2024: \$172,425) (inclusive of GST, less RITC).

The Responsible Entity fee for Channel Investment Management Limited is payable by the Fund.

Expenses are incurred in operating and managing the Fund and are deducted from the assets of the Fund as and when they are incurred. These expenses normally include taxes, costs, charges and expenses incurred by the Manager or its affiliates, custody and administration fees, and audit costs, stamp duties, taxes and bank fees, preparation of financial statements, accounting fees, tax returns, compliance costs and advisor fees.

The Responsible Entity will apply an expense recovery cap of 0.15675% per annum (inclusive of GST, less RITC) of the net asset value of the Fund, which includes the Responsible Entity Fee. The Responsible Entity may, in its sole discretion, increase this expense recovery cap in accordance with the Constitution. Where actual expenses are less than 0.15675% per annum of the Net Asset Value of the Fund the Responsible Entity will charge the actual expenses incurred.

The transactions during the year and amounts payable at year end between the Fund and the Responsible Entity and the Investment Manager were as follows:

	Year ended 30 June 2025 \$	Year ended 30 June 2024 \$
Management fees for the year paid or payable by the Fund to the Investment Manager	2,177,738	849,052
Responsible Entity fees for the year paid or payable by the Fund to the Responsible Entity	505,716	195,000
Aggregate amounts payable to the Investment Manager at the end of the reporting period	231,635	112,975
Aggregate amounts payable to the Responsible Entity at the end of the reporting period	53,802	26,197

15 Related party transactions (continued)

(a) Key management personnel

(i) Responsible Entity

Key management personnel includes persons who were directors of Channel Investment Management Limited at any time during the financial year as follows:

Name

Glen Holding	Executive Director
Sandra Birkenleigh	Non-Executive Chair
Bede King	Non-Executive Director
Karen Prentis	Non-Executive Director

(ii) Investment Manager

The key management personnel of the Investment Manager at any time during the financial year are as follows:

Name

David Lang
Nicholas Hyde

There were no other persons with responsibility for planning, directing and controlling the activities of the Fund, directly or indirectly during the financial year.

(b) Related party unitholdings

Parties related to the Fund (including Channel Investment Management Limited, its related parties and other trust managed by Channel Investment Management Limited and the Investment Manager) held no units in the Fund as at 30 June 2025 and 30 June 2024. There are no investments into related parties.

(c) Key management personnel compensation

Key management personnel do not receive any remuneration directly from the Fund. They receive remuneration from Channel Investment Management Limited and KKR Australia Investment Management Pty Ltd or its related parties, in their capacity as Directors or employees of the Responsible Entity and Investment Manager. Consequently, the Fund does not pay any compensation to its key management personnel. Payments made from the Fund to the Responsible Entity do not include any amounts attributable to the compensation of key management personnel.

(d) Key management personnel loan disclosures

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

(e) Other transactions within the Fund

From time to time directors of Channel Investment Management Limited or their director related entities, may invest in or withdraw from the Fund. These investments or withdrawals are on the same terms and conditions as those entered into by other Fund investors and are trivial in nature.

Apart from those details disclosed in this note, no key management personnel of the Responsible Entity have entered into a material contract with the Fund during the year and there were no material contracts involving directors' interests existing at year end.

16 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities

	Year ended 30 June 2025 \$'000	Year ended 30 June 2024 \$'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities		
Purchase of financial instruments at fair value through profit or loss	(382,572)	(222,540)
Proceeds from sale of financial instruments at fair value through profit or loss	194,199	99,798
Distributions to unitholders	22,271	9,537
Net movement in margin accounts	2,404	(2,798)
Net (gains)/losses on financial instruments at fair value through profit or loss	(429)	(2,430)
(Increase)/decrease in receivables	(2,159)	(1,800)
Increase/(decrease) in net assets attributable to unitholders	(1,995)	1,468
Increase/(decrease) in payables	8	164
Net cash inflow/(outflow) from operating activities	(168,273)	(118,601)
(b) Non-cash financing activities		
Shares issued under the distribution investment plan	2,049	1,867
Total non-cash financing activities	2,049	1,867

17 Events occurring after the reporting date

No significant events have occurred since the end of the financial year that would impact the Fund's financial position as disclosed in the statement of financial position as at 30 June 2025, or affect the Fund's results and cash flows for the year ended on that date.

18 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2025 and 30 June 2024.

Directors' declaration

In the opinion of the Directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 5 to 26 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Fund's financial position as at 30 June 2025 and of its performance for the year ended on that date.
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.
- (c) Note 2(a) confirms that the financial statements also comply with IFRS Accounting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the Directors of Channel Investment Management Limited, Responsible Entity of KKR Global Credit Opportunities Fund.



Glen Holding
Director
Channel Investment Management Limited

Brisbane
23 September 2025



Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

**Shape the future
with confidence**

Independent auditor's report to the unitholders of KKR Global Credit Opportunities Fund (AUD)

Opinion

We have audited the financial report of KKR Global Credit Opportunities Fund (AUD) (the "Fund"), which comprises the statement of financial position as at 30 June 2025, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of the Fund is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the Fund's financial position as at 30 June 2025 and of its financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Fund in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial report and auditor's report thereon

The directors of Channel Investment Management Limited (Responsible Entity) are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Shape the future with confidence

Responsibilities of the directors for the financial report

The directors of the Responsible Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors of the Responsible Entity are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Responsible Entity.
- ▶ Conclude on the appropriateness of the directors of the Responsible Entity of the Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.



**Shape the future
with confidence**

We communicate with the directors of the Responsible Entity regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young

Ernst & Young

Rohit Khanna

Rohit Khanna
Partner
Sydney
23 September 2025